

MEMORANDUM

To: Reporters and Editors
From: Carol Guthrie for Finance Chairman Max Baucus (D-Mont.)
Re: HHS Inspector General's Report on Marketing Materials for Prescription Drug Plans

Finance Chairman Baucus commented today on a new and alarming report from the Office of the Inspector General at the Department of Health and Human Services that indicates 85 percent of "marketing" materials presented to American seniors by private insurers selling Medicare benefits do not meet standards set forth by the Centers for Medicare and Medicaid Services. Baucus, who has held hearings in the Committee on unscrupulous marketing to seniors by private plans, said action must be taken to improve service to seniors now. The full report is online at <http://www.oig.hhs.gov/oei/reports/oei-01-06-00050.pdf>.

"This report reveals a near-total failure by CMS, where officials have insisted that they can regulate the marketing of plans to seniors as well as or better than experienced state insurance agencies. The evidence now shows that's not the case. It's unconscionable that CMS has let the insurance industry's materials – including essential items like pharmacy directories and summaries of benefits – fail to properly inform seniors 85 percent of the time," said Baucus. **"An 85 percent error rate is more than a troubling trend. It's a totally unacceptable status quo when we're talking about medical benefits for America's seniors. CMS hasn't been doing its job to regulate plans that sell Medicare benefits to seniors. CMS says it's making changes to correct these problems, and you'd better believe the Finance Committee will move to make sure seniors get better service one way or the other."**

Baucus's own Medicare reform bill, enacted into law this year, contained prohibitions on unscrupulous marketing practices by private plans including unannounced visits and cold calls by plan agents.